



Meagher County Housing Recommendations

Strategies for Meagher County and White Sulphur Springs

FALL 2023



About the MCSC

The Meagher County Stewardship Council is a non-profit organization based out of White Sulphur Springs, Montana.

The Council originally came together in 2018, primarily in response to the impending development of the Black Butte Copper Project, a nearby underground copper mine. In the subsequent years, the Council has developed into an emerging grassroots organization working at the nexus of conservation and community development.

Our Mission: *The Meagher County Stewardship Council shepherds efforts to safeguard and enhance the natural resources, culture, and economic interests of Meagher County for the benefit of current and future generations.*

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Acknowledgments

We extend our gratitude to the City of White Sulphur Springs and the Meagher County Commission for their support and collaboration throughout the preparation of this housing report. Their commitment to addressing housing needs in our community has been instrumental in shaping the findings and recommendations presented herein. We would also like to thank the following individuals for their efforts throughout this process: Jen Madgic, Burt Hurwitz, Makayla Paul, Bill Bryan, Terry Taylor, and all the members of the Housing Committee. Finally, and most importantly, we acknowledge the invaluable feedback received from community members throughout this process.

Vision

White Sulphur Springs will have maintained its small-town, rural community character. It will amplify its history and historical features. The public facilities and services will be in good condition and adequate to serve the existing and future population and businesses. The community will enjoy a strong economy, with good jobs available. The commercial sector will comprise a diverse mix of public goods and services to serve the needs of residents and businesses.

White Sulphur Springs Growth Policy, 2017

Meagher County Stewardship Council mission

The Meagher County Stewardship Council shepherds efforts to safeguard and enhance the natural resources, culture, and economic interests of Meagher County for the benefit of current and future generations.

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Executive Summary

This plan identifies specific, actionable strategies to help Meagher County and White Sulphur Springs provide adequate housing for current and future residents.¹ Identified housing strategies rely heavily on community input and build upon previous planning efforts, starting with the [2017 White Sulphur Springs Growth Policy](#), the [2021 Consolidated City/County Growth Policy](#), and the [2021 Meagher County Housing Needs Assessment](#). Please see Appendix B for details discussed in each community-wide meeting held in collaboration with the completion of this report.

Meagher County's current housing challenges are similar to its peer communities across Montana and the West. [Recent demographic trends](#) in rural places show an aging population, increased poverty, and deteriorating housing stock. Under normal circumstances, Meagher County and White Sulphur Springs may be capable of weathering volatility in the housing market. However, a unique mix of external forces, such as the COVID-19 pandemic, rapid regional growth, and the potential of a significant spike in housing demand tied to two proposed industrial-scale developments, have motivated the community to prioritize housing availability and affordability. This action plan recognizes that strategies to develop housing for future growth scenarios are not identical to existing housing needs.

To find feasible housing solutions, Meagher County must take advantage of existing community partnerships, including strong working relationships between the City of White Sulphur Springs and Meagher County, Mountainview Medical Center, Meagher County School District, Tintina Montana, and the Meagher County Stewardship Council. In addition, regional community development organizations such as Habitat for Humanity, NeighborWorks Montana, and the Human Resources Development Council have a long history of collaboration in Meagher County. Overall, there is a high level of community awareness about the need for additional housing and a commitment from community partners to engage in solutions.

To best address housing needs, this action plan contains two parts: 1) Housing to meet current needs and 2) Housing to meet future needs given future growth projections.

Strategies to Meet Current Needs

- Update and renovate existing housing stock.
- Evaluate existing infrastructure.
- Prioritize construction of accessory dwellings.
- Develop existing vacant lots within city limits.
- Create a downtown master plan.

Strategies to Meet Future Needs

- Establish a home improvement program.
- Upgrade and expand existing infrastructure.
- Create a community land trust.
- Develop a planned neighborhood (employer-based is one example).

¹ This plan is intended to be used as a guide. It does not authorize an agency and/or organization to proceed with any strategy that is contrary to the benefit of the community as a whole or overall community desire. Those involved with development of this plan place high value in community engagement, proactive response to community planning, and success through incremental measures.

Introduction

Meagher County is a rural county located in central Montana. As of the 2020 Census, the county's population stood at 1,927 residents. White Sulphur Springs, the county seat, had 955 residents. Meagher County's amenities, including abundant public land and recreational opportunities, result in a high annual volume of tourism and visitation.

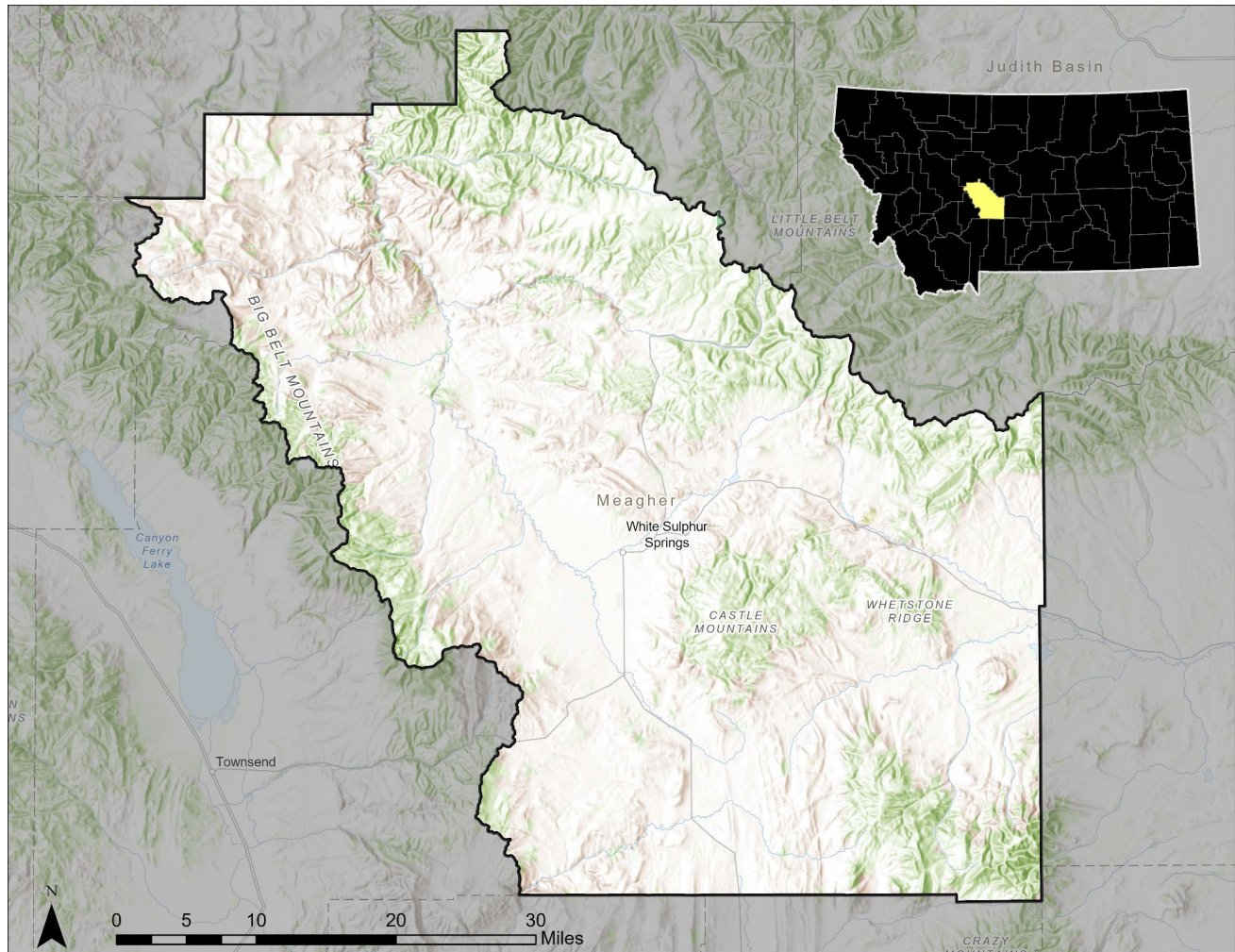


Figure 1: Map showing the location of Meagher County and White Sulphur Springs.

Like rural places across the West, Meagher County grapples with a prolonged housing shortage. According to the 2021 Housing Needs Assessment, Meagher County and White Sulphur Springs face a housing deficit ranging from 17 to 61 units (for rent and purchase). Adding to this predicament is that housing costs have consistently outpaced job and wage growth for over a decade. The gap between housing prices and wages has also impacted the labor market, making it challenging to fill existing job positions and hindering the overall growth of the local economy.

Beyond immediate housing and economic needs, the community must also consider the potential impacts of two industrial-scale projects in the county—the Black Butte Copper Project and the Gordon Butte Pumped Storage Hydro Project. While both projects are still in development, local officials and community leaders

expect they will generate jobs and significant demand for new housing.

Past & Ongoing Efforts

Meagher County and White Sulphur Springs have taken several steps in recent years to try to identify and help resolve local housing challenges. Reports such as the [City of White Sulphur Springs Growth Policy](#) (2017), [Hard Rock Mining Impact Plan for the Black Butte Copper Project](#) (2018), [City of White Sulphur Springs and Meagher County Consolidated City-County Growth Policy](#) (2021), and the [Housing Needs Assessment](#) (2021), have established the baseline data and policy foundation needed to craft place-based strategies to improve housing availability and affordability.

According to the 2021 Needs Assessment, Meagher County must address a housing gap by providing 17 to 61 homes for rental, purchase, and senior housing, achieved through new construction and the revitalization of existing properties, to satisfy present community demands. Additionally, the assessment indicates that the Black Butte Copper Mine and Gordon Butte projects—assuming they move forward—will increase that gap to between 112 and 144 homes.

Addressing the housing gap must align with local policies and recommendations established in the 2021 City-County Consolidated Growth Policy. That report provides these high-level strategies: 1) Maintain understanding and knowledge of appropriate state and federal housing programs; 2) The city and county partner with nonprofits, property owners, developers, and realtors to encourage new housing and housing rehabilitation which serves and is affordable for all income sectors of the White Sulphur Springs community and; 3) The city, county and partners will work to identify funding mechanisms to help developers and property owners pay for the disposal of the debris from demolished unsound or poor housing. The main housing goal encourages “a variety of safe housing options to meet White Sulphur Springs' residents' needs, preferences, and incomes.”

The 2021 Consolidated Growth Policy also recognizes the uncertainty in preparing for the potential development of projects like the Black Butte Copper Project and Gordon Butte. (If finalized, Black Butte would be the largest employer within a 50-mile radius.) The growth policy anticipates the likelihood of “a burst of significant growth,” posing challenges “to the task of growth planning, meaning that accommodations must be made to facilitate new residential development while ensuring flexibility and resilience in city and county policies.” The plan recommends the city prioritize “policies that consider existing conditions, such as current housing stock.” It further states that “effective policies will build upon existing conditions, such as the possibility of improving the city and county’s housing stock without the risk of overbuilding new homes and flooding the market.”

The impact plan developed for the proposed Black Butte Copper Project, an underground copper mine 15 miles north of White Sulphur Springs, anticipates significant demand for new housing to accommodate the mining workforce. Tintina Montana, the mine developer, anticipates employing at least 75 to 200 contractors daily during the construction phase (expected to last 24 to 30 months), with a workforce of approximately 240 employees two years into operation. Currently, the mine is facing a lawsuit over issuing the Mine Operating Permit. That lawsuit is under appeal at the Montana Supreme Court, with a decision expected before the end of 2023.

Meanwhile, the Gordon Butte Pumped Storage Hydro Project, currently on hold pending a power purchasing agreement, estimates a need for several hundred workers during the construction phase, with many of those

workers expected to commute or be bussed from outlying areas. The developer has not published or shared housing projections for this development.

More recently, the Meagher County Commission and the City of White Sulphur Springs partnered with the Meagher County Stewardship Council (MCSC) to host several community meetings to solicit ideas and listen to suggestions and concerns regarding the housing issue. In early 2023, the Stewardship Council facilitated four meetings—all open to the public. A summary of the feedback received during those meetings can be found in Appendix B. Additional community outreach is planned around the release of this report.

Part 1: Strategies & Action Steps to Meet Short-Term Demand (1-3 Years)

Rehabilitate existing housing stock

White Sulphur Springs has many underutilized housing units due to disrepair or neglect.² Many homeowners, particularly those on fixed incomes, lack the necessary resources to improve their homes.

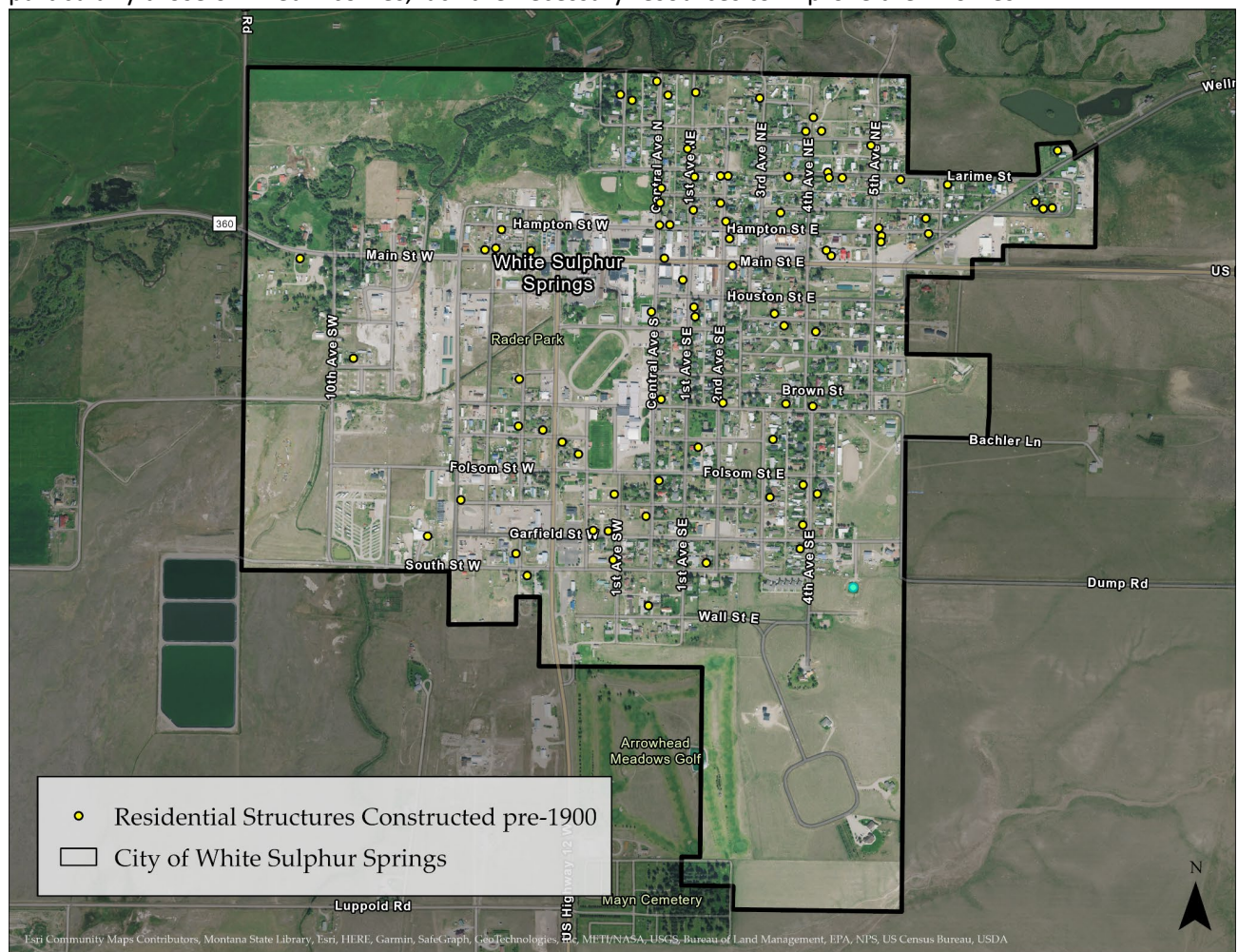


Figure 3: Map of the City of White Sulphur Springs showing residential structures constructed before 1900. Data credit: Montana State Library, Structures and Addresses dataset

² The 2021 Needs Assessment conducted a housing conditions evaluation in two quadrants of the City of White Sulphur Springs. That evaluation revealed that approximately 25% of homes could benefit from rehabilitation.

Objectives

1. Increase housing supply through the renovation of existing residences to help increase occupancy of current dwellings.
2. Provide residents with a mechanism to improve living conditions.

Action Plan

1. Partner with a regional community development organization to rehabilitate homes in the city.³

Potential Project Partners

Potential project partners include the Meagher County Stewardship Council (MCSC), the Meagher County Community Foundation (MCCF), Human Resource Development Council (HRDC), Montana Business Assistance Connection (MBAC), NeighborWorks Montana (NeighborWorks MT), Habitat for Humanity, and Community Development Block Grant (CDBG). See Appendix C.

Potential Funding Sources

1. [USDA Rural Development Housing Preservation Grants](#)
2. [USDA Rural Development Single Family Housing Repair Loans and Grants](#)
3. [State Homeowners' Assistance Fund](#)
4. [CDBG Affordable Housing Development and Rehabilitation Grants](#)

Assess infrastructure capacity⁴

The City of White Sulphur Springs is actively working to make repairs and upgrade water infrastructure. The city can broaden the current infrastructure work by identifying requirements for accommodating growth.

Objectives

1. Evaluate infrastructure and available capacity under potential growth scenarios.
2. Address infrastructure gaps that may pose challenges to potential homeowners, for example, utility services.

Action Plan

1. Conduct a comprehensive assessment of existing infrastructure in White Sulphur Springs.
2. Prioritize critical areas for improvement and the ability to accommodate growth under different scenarios.⁵

Potential Project Partners

Potential project partners include Great West Engineering, the Meagher County Commission, and MBAC.

Potential Funding Sources

1. [State Revolving Fund Loans](#)
2. [DNRC grants under the Renewable Resource Grant and Loan Program](#)
3. [USDA Community Facilities Direct Loan & Grant Program](#)

³ The final target number of homes for rehabilitation should be determined by the housing committee.

⁴ The City of White Sulphur Springs is currently working with Great West Engineering to repair and improve water infrastructure with a water transmission main replacement.

⁵ For a longer discussion about growth potential, see the Past & Ongoing Efforts section.

4. [USEDA Public Works and Economic Adjustment Assistance Programs](#)
5. [Community Development Block Grants](#)

Prioritize construction of accessory dwellings

Accessory dwelling units, or ADUs, provide several potential benefits, including increasing overall housing stock, adding affordable housing opportunities, and supporting multi-generational living arrangements. ADUs can also serve as rentals, offering residents economic opportunities and further supporting the housing market.

Objectives

1. Reduce barriers around constructing ADUs.
2. Provide residents with information on and assistance with ADU construction.

Action Plan

1. Review and propose adjusting existing regulatory policies related to ADU development.
2. Establish an ADU construction program that helps homeowners construct ADUs by providing design assistance, technical expertise, and financial assistance in applying for grants and appropriate loans.

Potential Project Partners

Potential project partners include the Meagher County Consolidated City-County Planning Board, MCSC, the Meagher County Chamber of Commerce, HRDC, MBAC, and Habitat for Humanity.

Potential Funding Sources

Unfortunately, there are limited financing mechanisms explicitly designed to support ADU development. The Community Development Block Grant Program may be one available funding source.

1. [CDBG Affordable Housing Development and Rehabilitation Grants](#)
2. Philanthropy and impact investors

Develop housing on vacant lots within city limits

White Sulphur Springs currently contains numerous vacant lots that are not actively contributing to the local housing stock. Identifying strategies to develop housing on these unused parcels presents a sustainable and cost-effective method to increase residential capacity within the city.

Objectives

1. Assess lot utilization within the city.
2. Establish an inventory of lots that are candidates for housing development.
3. Meaningfully reduce the number of vacant lots within city limits.

Action Plan

1. Create an inventory of vacant lots within city limits, including market value and barriers to development.
2. Explore options for various housing developments.

Potential Project Partners

Potential project partners include the Meagher County Consolidated City-County Planning Board, MCSC, HRDC, MBAC, Habitat for Humanity, and Trust Montana (Trust MT).

Potential Funding Sources

1. [CDBG Affordable Housing Development and Rehabilitation Grants](#)

Create a downtown master plan

Like a community growth policy, a downtown master plan can assist in structuring community goals and priorities. The primary objective is to enhance White Sulphur Springs' downtown, focusing on housing in connection to the downtown area.

Objectives

1. Help preserve the rural character of the community.
2. Promote small businesses.
3. Provide diverse housing options in the downtown area.
4. Identify opportunities to convert historic buildings into residential spaces.

Action Plan

1. Apply for membership in the Montana Main Street program.
2. Apply for a Montana Main Street Impact Grant.
3. Create a downtown master plan.

Potential Project Partners

Potential project partners include MCSC, the Meagher County Chamber of Commerce, MCCF, HRDC, and MBAC.

Potential Funding Sources

1. [Montana Main Street Program Planning and Project Grants and Impact Grants](#)

Part 2: Strategies & Action Steps to Meet Long-Term Demand (3-10 Years)

Establish a community-based home improvement program

A locally-driven home improvement program enables residents to collaborate with community organizations, local government, and volunteers to identify and address home improvement needs.

Objectives

1. Meaningfully reduce the percentage of homes in fair or poor condition.
2. Improve the overall condition of community housing.
3. Improve community resilience.

Action Plan

1. Partner with a regional community development organization to establish a sustainable home improvement program.

Potential Project Partners

Potential project partners include MCSC, MCCF, HRDC, MBAC, NeighborWorks MT, and Habitat for Humanity.

Potential Funding Sources

1. [USDA Rural Development Housing Preservation Grants](#)

2. [USDA Rural Development Single Family Housing Repair Loans and Grants](#)
3. [State Homeowners' Assistance Fund](#)
4. [CDBG Affordable Housing Development and Rehabilitation Grants](#)
5. Philanthropy and impact investors

Upgrade and extend infrastructure

Ensuring that city infrastructure can accommodate future growth will require targeted improvements based on the results of the infrastructure assessment.

Objectives

1. Expand and improve infrastructure to support population growth within White Sulphur Springs.

Action Plan

1. Identify and prioritize locations for infrastructure upgrades, focusing on those areas that can support additional residential capacity.
2. Apply for grants and secure funding for infrastructure improvements.

Potential Project Partners

Potential project partners include Great West Engineering, the city council, the Meagher County Commission, and MBAC.

Potential Funding Sources

1. [State Revolving Fund Loans](#)
2. [DNRC grants under the Renewable Resource Grant and Loan Program](#)
3. [USDA Community Facilities Direct Loan & Grant Program](#)
4. [USEDA Public Works and Economic Adjustment Assistance Programs](#)
5. [Community Development Block Grants](#)

Establish a community land trust

A community land trust is a mechanism that enables land to be held “in trust” for community needs, including workforce or affordable housing. A land trust is a permanent community asset insulated from housing market volatility.

Objectives

1. Provide a permanent affordable housing solution.
2. Mitigate difficulties in providing workforce housing.
3. Enhance community resilience.

Action Plan

1. Conduct outreach and education around the benefits of a CLT.
2. Partner with a regional community development organization to identify a feasible land trust model.
3. Develop a legal structure and governance mechanisms.
4. Identify and secure funding to acquire land.
5. Acquire land.
6. Construct a housing development.

Potential Project Partners

Potential project partners include the Meagher County Consolidated City-County Planning Board, MCSC, HRDC, MBAC, NeighborWorks MT, Trust MT, and Habitat for Humanity.

Potential Funding Sources

1. [Low-Income Housing Tax Credit](#)
2. [CDBG Affordable Housing Development and Rehabilitation Grants](#)
3. [Housing Trust Fund](#)
4. Area foundation grants
5. Philanthropy and impact investors
6. Investment from area businesses

Develop a planned neighborhood

An intentionally planned neighborhood with various housing types and some mixed-use spaces can create particular efficiencies that help keep overall costs down. One or more private organizations can develop planned communities in a comprehensive, incremental fashion.⁶



Figure 3: Example of a co-housing project.

Objectives

1. Support area employers and employee retention.
2. Ease pressure on existing homeowners and renters.

Action Plan

1. Recruit potential partners by engaging area employers and developers.
2. Identify potential project sites, considering proximity to businesses, infrastructure, and services.

⁶ For one example of a planned neighborhood, see BridgerView in Bozeman or Helena Habitat for Humanity – East Helena project.

3. Engage architects and urban planners to design a planned neighborhood that integrates affordable housing, green spaces, and necessary amenities.
4. Develop a financing strategy.
5. Acquire land.
6. Construct a housing development.

Potential Project Partners

Employers in Meagher County, including Showdown Ski Resort, Mountainview Medical Center, Black Butte Copper Project, and White Sulphur Springs School District, have all indicated that housing is an issue in helping attract and retain employees. These organizations have participated in community meetings and are interested in investigating viable strategies.

Potential Funding Sources

1. Investment from area businesses
2. [Low-Income Housing Tax Credit](#)
3. [CDBG Affordable Housing Development and Rehabilitation Grants](#)



Figure 4: An example of a housing development with various housing types.

Conclusion

In conclusion, this comprehensive housing plan for Meagher County and White Sulphur Springs outlines a

strategic roadmap to address current and future housing challenges. The housing deficit, rising costs, and external factors, such as rapid regional growth and proposed industrial-scale developments, necessitate a proactive and multifaceted approach.

This action plan recognizes the uniqueness of the current housing landscape and emphasizes community-driven solutions. Leveraging existing partnerships and community awareness, the program focuses on immediate strategies such as updating existing housing stock, evaluating infrastructure and prioritizing accessory dwellings. Simultaneously, the forward-looking section addresses future growth scenarios through initiatives like a home-improvement program, infrastructure upgrades, a community land trust, and planned neighborhood development.

The ongoing collaborative efforts in Meagher County will involve the County Commission, the City of White Sulphur Springs, Mountainview Medical Center, the school district, and the Meagher County Stewardship Council, underscore a shared commitment to finding viable housing solutions. As Meagher County navigates the potential impacts of industrial projects, this housing plan provides a flexible framework to accommodate increased demand and sustain a resilient community. Focusing on current and future needs and fostering collaboration, this action plan serves as a blueprint to ensure that White Sulphur Springs remains a thriving community for residents today and future generations.

Appendix A: Additional Information

State of Montana/Legislative Support

Governor Greg Gianforte has prioritized housing throughout his administration, establishing the Governor's Housing Task Force in 2022. Task force members were charged with "providing recommendations to make housing more affordable and attainable for Montanans. Task force members developed 18 recommendations (read full report [here](#)) which include:

1. Immediate supplemental budget allocations to three agencies/programs.
2. Increase the supply of housing.
3. Creation of legislation directed at development of certain lands.
4. Reformation of state tax laws may be needed to incentivize housing development and to reduce property taxes of residential homeowners.
5. Prohibit residential minimum lot size requirements larger than 25,000 sq. ft.
6. Allow accessory dwelling units on all single-unit residential lots.
7. Rewrite the Montana subdivision & platting act.
8. Enact a state affordable housing tax credit tied to local zoning reform.
9. Infrastructure grants to support housing.
10. Amend state law to streamline local permitting.
11. Remove bans on multi-unit residences.
12. Eliminate regulatory barriers to housing construction within cities.
13. Require short-term rental reporting.
14. Maximize existing infrastructure and infill development through incentives.
15. Prioritize state investment in sewer/water infrastructure.
16. Expand investment in workforce development.
17. Encourage innovative methods in home construction.
18. Encourage collaborative relationships between the public/private sectors.

While many of these recommendations would not apply to White Sulphur Springs, where there is no zoning,

and some require state action, a few may benefit Meagher County and deserve further exploration. These include infrastructure grants for housing, short-term rental reporting, maximizing existing infrastructure and infill development through incentives, encouraging innovative home construction methods, and encouraging collaborative relationships between the public/private sectors.

The 2023 Legislature introduced 56 bills related to housing. Housing-related bills that passed (21 total) include property tax assistance (HB 189), tiny dwellings allowed in zoned areas (HB 246), allowing state-chartered banks to own employee housing (HB 371), revising methods for valuing commercial condominiums (HB 685), creation of the Montana community reinvestment act to fund workforce housing (HB 819), requiring counties to approve specific condominiums (SB 23), prevention of rent control of private property (SB 105), revising municipal zoning to allow multifamily and mixed-use development (SB 245), allowing for the development of duplex, triplex and fourplex housing in city zoning (SB 323), generally revising municipal zoning laws (SB 407), incentivizing development of ADUs (SB 528), and a comprehensive re-write of growth policy statutes aimed at larger counties (SB 382). Again, because some of these bills involve zoning, White Sulphur Springs is not impacted.

Recognizing that “the availability of attainable workforce housing is critical to the well-being of individuals, communities, businesses and organizations of all sizes and the economy at large,” HB819 includes a package of housing-related programs that may be useful to Meagher County. Programs that are part of HB 819 include down payment assistance, grants for infrastructure for multi-family housing, planning-related grants, and funding for low-income and moderate-income housing loans.

Action Item

Scheduling a meeting with the Department of Commerce as soon as possible will allow us to learn more about these opportunities and what might be most applicable and advantageous for White Sulphur Springs and Meagher County. Some of these opportunities may be time-sensitive and competitive, so understanding details and processes sooner rather than later is important.

Montana State Housing Programs

The [Montana Department of Commerce](#) administers the state’s housing programs, including assisting prospective buyers with home purchases, down payment assistance, mortgage servicing, reverse annuity mortgages, rental housing assistance, multi-family rental development, and programs recently established under the 2023 Legislature (specifically HB819).

HB819 sets aside funding for housing through the Coal Trust Fund, with \$12M designated for infrastructure for multi-family housing projects that meet specific criteria (10 dwelling units per acre) and \$12M for workforce housing.

Funding from these programs can be potentially used to help establish a multi-family housing project on hospital property and help a future homeowner with down payment assistance.

Short-Term Rentals (STRs)

In recent years, short-term rentals have increased in many communities nationwide. This increase can be due to various factors, including a changing climate, increased tourism, and the Covid pandemic. Some communities have regulated STRs to help maintain neighborhoods and the long-term occupancy of dwellings through rental or ownership. The issue of [STRs has been controversial](#), and before deciding whether rules make sense or don’t make sense for Meagher County/White Sulphur Springs, it is essential to understand the

different perspectives and options.

STRs were loosely discussed by some members attending the community meetings held in White Sulphur Springs. STRs serve a need to help provide housing for tourists in the area and provide an important revenue source for some property owners. Many more public discussions will be needed if Meagher County/White Sulphur Springs decides to investigate options to regulate STRs.

There are various options communities across the country have adopted to deal with STRs. Some areas, like Tahoe, have [capped the number](#) of STRs. Other regions have tried to [ban STRs](#) with varying degrees of success. Some communities sort STRs by type: 1) dwellings used as full-time STRs; 2) STRs that are part of someone's home, like an attached or detached ADU; 3) STRs between full-time and part-time residency. Some communities, like Bozeman, allow STRs and require an [annual application fee](#). Bozeman established a STR program in 2017 with type 1, 2, and 3 STRs. Bozeman has recently changed its regulations regarding the impact of STRs on the overall housing market to help address Bozeman's housing crisis. Some communities, like Big Sky, have established a program the Big Sky Community Housing Trust runs to incentivize property owners to convert STRs to long-term rentals. [RENT LOCAL](#) incentivizes "local condo owners who rarely use their Big Sky property to rent to locals." Like many other tourist-oriented communities in Montana, Big Sky has a resort tax that helps fund the RENT LOCAL program.

ADUs

ADUs were discussed at the Western Prosperity Roundtable of the Western Governors' Association (hosted by Gov. Greg Gianforte in Bozeman in 2023) as a viable method to add additional housing units to an existing neighborhood. ADUs can: 1) provide short- or long-term rental use to earn passive income; 2) increase property value; 3) provide an independent unit for family & guests; 4) provide low-cost housing for seniors, workers, and students; 5) provide a home office space. ADUs can be cheaper to build than single-family residences or other types of dwellings and can take advantage of existing infrastructure—streets, water, and sewer. ADUs, both attached and detached, can be seen as adding "gentle density" to an existing neighborhood by expanding residential options without impacting the character of a community. Several organizations and states nationwide, including Montana, have touted the benefits. Other [cities](#) are adding incentives to try to encourage more of them.

There are no rules governing ADUs in Meagher County and White Sulphur Springs. The county and city should follow the lead of other communities in trying to encourage the development of ADUs. White Sulphur Springs could try incentivizing ADUs for long-term residential use by helping property owners with water and sewer connections and providing prefab ADU designs. Employers could construct ADUs for their employees. Grant funding could be available to establish an appropriate ADU-incentive program.

Montana Main Street Program

Many communities throughout the state are taking advantage of the Montana Main Street Program (MMS) membership. Over 35 cities and towns in Montana are members, from smaller towns like Libby, Terry, and Ekalaka to larger cities like Billings, Kalispell, and Great Falls.

White Sulphur Springs' Growth Policy identifies the MMS program as an opportunity: "The city could potentially benefit from certification in the state Main Street program, as an added investment in both the public and private realms could boost revitalization of the downtown's storefronts."

Membership benefits include technical assistance and grant funding, with downtowns being the prime focus. Specifically, the program “is dedicated to bettering the economic, historical, and cultural vitality of Montana downtowns through community development and historic preservation.” The range of work accomplished through MMS is broad, with communities using the program to help fund downtown wayfinding signage, planning activities like downtown plans, and studies that help determine the feasibility of housing downtown. Participation in the program can help White Sulphur Springs build off significant renovations that have taken place on Main Street in recent years.

The program doesn’t cost anything to join. Through a formal application process and community meeting, a city/town needs to show a level of organization and commitment to sound, grassroots-oriented planning. The program can help White Sulphur Springs work together on a shared vision, like assisting the community in bolstering the downtown economy and improving the urban landscape.

Appendix B: Community Feedback and Discussion

February 23, 2023

The initial community meeting introduced the project, where attendees brainstormed to identify problems and their impacts. Those who attended included Neighborworks MT, Trust MT, and MSU Extension representatives. Topics for this first meeting included:

- Condition of city infrastructure – water/sewer
- Property expenses – power, water, electric, property tax
- Planned neighborhoods
- Impacts of Airbnb and short-term rentals
- Defining “affordable housing”
- Restrictions of housing programs
- Annexation of land and accurate mapping of the city infrastructure

March 29, 2023

During the second community meeting, the focus was on the Housing Needs Assessment that was conducted in 2021. The panel also highlighted programs that have been successful in other regions. The representatives who participated in this meeting were from organizations such as Habitat for Humanity, Neighborworks MT, Trust MT, MBAC, and MSU Extension. Additional notes and topics from this meeting include the following:

Neighborworks MT presented programs tailored to first-time homebuyers during the meeting. The programs discussed included an educational program, a savings program with matching, and Community Development Block Grant (CDBG) funds. These programs intend to assist and support those taking their first steps toward home ownership.

MSU Extension shared its involvement in MT cooperative investments, educational webinars, and the Harlowton Investment Cooperative.

Trust MT, a statewide community land trust, is an organization in which homeowners own the house, but Trust MT owns the land. They included examples of partnering with Habitat for Humanity and instances where the land is donated to them.

Habitat for Humanity has connections with bankers, builders, and packaged loans. They have completed six Red Lodge projects, and eight more are in progress. Additionally, they are utilizing more land trusts for school districts and rural housing.

April 27, 2023

Grants from DNRC, USDA, Montana Commerce, CDBG, and a Bair Grant entirely fund the infrastructure for Martinsdale. Completing this project will result in 81 water hookups, and each hookup will require payment for use. The construction is scheduled to begin in May 2024 and is expected to take 2 to 3 years to complete. The need for this infrastructure came from the absence of a public wastewater system, which has become a public health concern.

The Department of Commerce discussed the “what-if” approach when working with developers on a plan. There are currently funding opportunities from the Montana Department of Transportation to improve sidewalks.

Contractors broke ground on the new hospital project in October 2023. The project will include a 12-inch water main to supply the hospital. The hospital will annex 15 acres of land for the new medical center. However, there is currently no plan for the remaining 76 acres. Studies have been conducted and confirmed that White Sulphur is capable of meeting the water and wastewater needs of the new hospital.

Jake Clark from the Great Falls Development Alliance discussed the “gaps” related to housing, including those that do not qualify for low-income housing, but don’t necessarily have the means to purchase housing of their own. He recommended the housing committee gather information on the following types of lots: vacant lots with no development, empty lots with service, lots with liens, or unlivable lots.

May 25, 2023

At the May meeting, the Housing Committee focused on workforce and affordable housing solutions. The Committee reviewed the status of housing-related bills under consideration by the legislature and discussed other funding mechanisms that can contribute to workforce housing initiatives.

Appendix C: Project Partners and Community Development Organizations Directory

Habitat for Humanity - Helena

432 N. Last Chance Gulch, Ste R
Helena, MT 59601

406-449-4663

info@helenahabitat.org

www.helenahabitat.org

Headwaters Community Land Trust

PO Box 12013

Bozeman, MT 59719

406-580-6909

www.headwatershousing.org

HRDC - Bozeman Office

32 S. Tracy Ave

Bozeman, MT 59715

406-587-4486

www.thehrdc.org

HRDC - White Sulphur Springs Office

107 E. Main Street/PO Box 327

White Sulphur Springs, MT 59645

406-547-3775 (relay 711)

Meagher County Stewardship Council

406-200-8117

info@meaghercountystewardshipcouncil.org

www.meaghercountystewardshipcouncil.org

Meagher County

15 West Main Street

White Sulphur Springs, MT 59645

406-547-3612

Montana Department of Commerce

301 S. Park Ave

PO Box 200528

Helena, MT 59620-0528

406-841-2840

www.commerce.mt.gov

www.mthousing.mt.gov

Montana Business Assistance Connection

225 Cruse Avenue, Suite D.

Helena, Montana 59601

406-447-1510

www.mbac.biz

NeighborWorks Montana

17 5th Street South

Great Falls, MT 59401

406-604-4540

www.nwmt.org

Trust Montana

PO Box 8791

Missoula, MT 59807

406-898-7636

www.trustmontana.org

City of White Sulphur Springs

105 West Hampton

White Sulphur Springs, MT 59645

406-547-3911

www.whitesulphurspringsmontana.com

Appendix D: Key Terms

ACCESSORY DWELLING UNIT (ADU)

A smaller, independent residential dwelling unit located on the same lot as a single-family home. ADUs can be attached to single-family homes or detached, abbreviated DADU.

AFFORDABLE HOUSING OR “HOMES RESIDENTS CAN AFFORD”

Affordable housing is relative to household income. This assessment utilizes a standard that states that the monthly rent or mortgage payment should be no more than 30 percent of the gross household income (before taxes) for renters towards contract rent and utilities. For homeowners, the standard is 33 percent of gross income towards mortgage, insurance, taxes, utilities, and condominium association fees, if applicable.

AMERICAN COMMUNITY SURVEY (ACS)

The ACS is part of the Decennial Census Program of the U.S. Census. The survey was fully implemented in 2005, replacing the decennial census long-form, and has been administered annually since. Typically, ACS data for localities aggregates five years of responses.

AREA MEDIAN INCOME (AMI)

The AMI is a Housing and Urban Development (HUD) calculation of a region’s midpoint household income distribution. This metric is a standard tool for setting household income limits in affordable housing programs.

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

The Community Development Block Grant (CDBG) program supports community development activities to help build stronger and more resilient communities. The federally funded program, administered in Montana through the Department of Commerce, helps address needs such as infrastructure, economic development projects, public facilities installation, community centers, housing rehabilitation, public services, code enforcement, and homeowner assistance through the issuance of community grants.

COMMUNITY LAND TRUST (CLT)

A CLT is a community-based organization established to serve as the long-term steward of the land and to protect long-term affordability and access to local housing.

COORDINATED ENTRY SYSTEM

HUD developed CES through the Continuum of Care (CoC) program to ensure that all people experiencing a housing crisis have fair and equal access. They are quickly identified, assessed for, referred, and connected to housing and assistance based on their strengths and needs.

COST-BURDENED

Housing costs exceed 30 percent of a household’s gross (pre-tax) income. Housing costs include rent or mortgage. Depending on its application, they may or may not include utilities, homeowner association fees, transportation, or other necessary expenses.

DEED RESTRICTIONS

Clauses on your home’s deed that limit how you can use your property. Deed restrictions can come from a homeowners' association, the building of a home, or a local governing body.

HOUSING CHOICE VOUCHER PROGRAM

This program provides rental subsidies for very low-income families, elderly persons, and persons with disabilities. Participants have the opportunity to choose their own rental homes within the community of their choice, subject to program requirements.

HOUSING AND URBAN DEVELOPMENT (HUD)

A U.S. government department that manages the building of low-cost houses, apartments, and new buildings in cities. HUD is the agency responsible for encouraging housing development.

HUMAN RESOURCES DEVELOPMENT COUNCIL (HRDC)

A non-profit community action program that assists with various needs, including emergency assistance, transportation, food and nutrition, housing, senior services, early childhood education, energy assistance, financial development, and community development. HRDC District IX serves Bozeman, Livingston, and White Sulphur Springs communities in Gallatin, Park, and Meagher counties.

LOW-INCOME HOUSING TAX CREDIT (LIHTC)

The LIHTC is the most extensive federal subsidy program for affordable housing development through new construction and substantial rehabilitation. Generally allocated by state housing finance agencies, it subsidizes the acquisition, construction, and repair of affordable rental housing for low- and moderate-income tenants.

MARKET RATE

Housing with no restrictions; property owners or sellers are free to set prices.

MONTANA MAIN STREET PROGRAM

This program offers technical assistance and expertise to member communities and awards competitive grant funding to communities actively working on downtown revitalization, economic development, and historic preservation.

RESIDENT-OWNED COOPERATIVE

In resident-owned manufactured housing communities, the lot rent goes to the resident cooperative and is managed to meet community needs and maintain affordability. NeighborWorks Montana provides the ROC program in Montana as part of the ROC USA Network and works with local partners to create and preserve ROCs.

RENT-RESTRICTED HOUSING

A low or moderate-income housing that rents below market to households earning a certain percentage of Area Median Income.

SHORT-TERM RENTAL (STR)

A housing unit with a rental period of fewer than 30 consecutive days.

SUBSIDIZED HOUSING

It is a kind of low-income housing where a qualified tenant pays a fixed share of their income towards rent. These subsidies are typically provided by federal programs funded by HUD or USDA Rural Development.

TEMPORARY VS CHRONIC HOMELESSNESS

Homelessness refers to an individual or family living in a space not meant for human habitation or an

emergency shelter. Chronic homelessness refers to an individual or family that has experienced homelessness for at least 12 months or has experienced homelessness four times or more in the previous three-year period.

WORKFORCE HOUSING

A broad term typically used for housing for employees earning local wages and may or may not include accommodation for rent or sale below market rates.